

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re : **Chapter 11 Case No.**
LEHMAN BROTHERS HOLDINGS INC., et al. : **08-13555 (JMP)**
Debtors. : **(Jointly Administered)**

**AFFIDAVIT AND DISCLOSURE STATEMENT OF THOMAS R. CALIFANO,
ON BEHALF OF DLA PIPER LLP (US)
IN CONNECTION WITH RETENTION AS AN
ORDINARY COURSE PROFESSIONAL**

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

Thomas R. Califano, being duly sworn, upon his oath, deposes and says:

1. I am a member of DLA Piper LLP (US), located at 1251 Avenue of the Americas, New York, New York 10020 (the “Firm” or “DLA”).
2. Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the “Debtors” and, collectively with their non-debtor affiliates, “Lehman”), have requested that the Firm provide government relations legal services to the Debtors, and the Firm has consented to provide such services. DLA has represented Lehman in that capacity since 1998.
3. From the commencement of the Debtors’ cases, DLA has been (i) conducting outreach and communications with members of the United States House of Representatives Oversight & Government Reform Committee (the “Committee”) on behalf of the Debtors and their estates; (ii) reviewing and providing assistance with required testimony

before the Committee on behalf of the Debtors and their estates, including preparation with regard to questions that may be asked by the Committee; (iii) advising and providing guidance with regard to other relevant congressional hearings; and (iv) such other congressional hearing related issues as may be requested by the Debtors. The Oversight Hearing was held on October 6, 2008 (the “Congressional Oversight Committee Hearing”).

4. The matters upon which DLA are to be retained on the Debtors’ behalf have been substantially completed since the Congressional Oversight Committee Hearing has already been held, although, as is customary with Congressional hearings, some follow up may be required. DLA’s employment by the Debtors at an early point in the Debtors’ cases was critical to the Debtors. DLA Piper had performed governmental affairs services for the Debtors for the period from 1998 onward and as such was familiar with the Debtors’ business and affairs. The delay, duplication and interruption involved in obtaining substitute counsel would have harmed the Debtors’ estates especially in light of the fact that the hearings was held so soon after the filing of the Debtors’ petition. The Debtors, their estates, and all parties in interest would have been prejudiced if DLA was unable to represent the Debtors at the Congressional Oversight Committee Hearing.

5. To the extent necessary, DLA desires to continue to serve the Debtors, if necessary, with respect to government affairs.

6. The Firm may have performed services in the past and may perform services in the future, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases.

7. In addition to the foregoing, DLA has been representing, and will continue to represent (with Lehman's permission), entities in these chapter 11 cases, entities which hold interests adverse to the Debtors' estates, but none of those adverse interests are with regard to the government relations matters to which DLA is employed. A copy of a list of the entities referred to in this paragraph which DLA currently represents is attached hereto as Exhibit "A". These entities primarily consist of, but are not limited to, claimants with guarantee claims against Lehman Brothers Holdings, Inc. ("LBHI"), counterparties to securities contracts with LBHI and/or its affiliates, and holders of notes and securities issued by the Debtors and/or their affiliates.

8. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of the Firm.

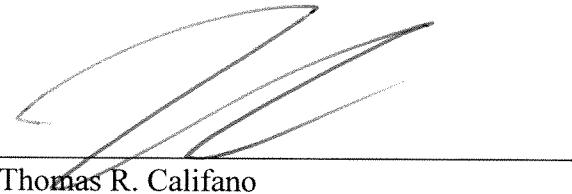
9. Neither I, nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates in matters in which DLA is to be employed by the Debtors.

10. Except as set forth in this Affidavit, and the accompanying Questionnaire (which is hereby incorporated by reference), neither I, nor any principal of, or professional employed by the firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors.

11. The Debtors owe the Firm \$163,443.52 for prepetition services.

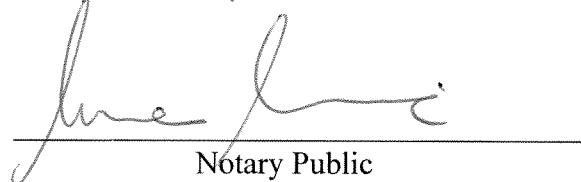
12. The Firm is conducting further inquiries regarding its retention by any of the creditors of the Debtors or parties in interest in the Debtors' cases, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any

facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.



Thomas R. Califano

Subscribed and sworn to before me
this 7th day of November, 2008



Notary Public

Anne Asanovic
Notary Public, State of New York
No. 31-01AS6017025
Qualified in New York County
Commission Expires 12/07/2010

EXHIBIT A

Consumer Unsecured Reperforming Loans (CURL) Plc and Wilmington Trust SP Services (London) Limited

Bank Austria Creditanstalt AG/A-Vienna

Clearbridge Advisors

Chubb Insurance

Osterreichische Volksbanken-Aktiengesellschaft

Joint Project: Österreichische Volksbanken-Aktiengesellschaft

Tradition Financial Services Limited

Carlo Salvi

Swedbank AB

Goldman, Sachs & Co

My Asset Management / Samsung Asset Management /Hana UBS Asset Management/High Asset Management

Westport Capital Partners LLC

Harry Cheung

Fixnetix Limited

River Capital Advisors, Inc

Piedmont Office Realty

Dorset Management

Banco Banif S.A.

Ocean Finance and Mortgages Ltd

Shenzhen PingAn Bank

C. H. International I, LLC (Crescent Heights)

Weiss-Tessbach Rechtsanwalte GmbH / Innovatis GmbH

Tradition Financial Services Ltd

Vision Super and FX Concepts

HI Asset Management Co., Ltd (Joint Project Matter)

Samsung Investment Trust Management Co., Ltd (Joint Project Matter)

UBS Hana Asset Management Co., Ltd. (Joint Project Matter)

MyAsset Investment Management Co., Ltd (Joint Project Matter)

Hatteras Financial Corp

Rakepoll Finance N.V.
Santander Bank
ING Asia Private Bank Ltd (Singapore Joint Project)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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:
LEHMAN BROTHERS HOLDINGS INC., et al., : **08-13555 (JMP)**
:
Debtors. : **(Jointly Administered)**
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RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY LEHMAN
BROTHERS HOLDINGS INC. OR ANY OF ITS DEBTOR AFFILIATES (collectively,
the “Debtors”)

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.
RETURN IT FOR FILING BY THE DEBTORS, TO:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Jennifer Sapp
Christopher Stauble

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of firm:

DLA Piper LLP (US)
1251 Avenue of the Americas
New York, NY 10020

2. Date of retention: As of October 15, 2008 (the “LBHI Petition Date”).

3. Type of services provided (accounting, legal, etc.): Legal: Government
relations (as more fully described herein).

4. Brief description of services to be provided:

From the commencement of the Debtors' cases, DLA has been (i) conducting outreach and communications with members of the United States House of Representatives Oversight & Government Reform Committee (the “Committee”) on behalf of the Debtors and their estates; (ii) reviewing and providing assistance with required testimony before the Committee on behalf of the Debtors and their estates, including preparation with regard to questions that may be asked by the Committee; (iii) advising and providing guidance with regard to other relevant congressional hearings; and (iv) such other congressional hearing related issues as may be requested by the Debtors.

5. Arrangements for compensation (hourly, contingent, etc.)

Hourly

(a) Average hourly rate (if applicable):

Blended rate \$475.00

(b) Estimated average monthly compensation based on prepetition retention (if firm was employed prepetition):

In a two month period approximately \$175,000 in fees were incurred. If additional services are required, it is estimated that the monthly amount would be substantially less.

6. Prepetition claims against the Debtors held by the firm:

Amount of claim: \$163,443.52

Date claim arose: Estimated between 30 and 120 days prior to LBHI Petition Date

Source of Claim: Legal representation of LBHI

7. Prepetition claims against the Debtors held individually by any member, associate, or professional employee of the firm:

Name: Charles Edwards

Status: _____

Amount of Claim: \$50,000

Date claim arose: October 15, 2008

Source of claim: Bond issued by LBHI owned by his DLA Piper Pension Fund.

Name: Peter Levy

Status: _____

Amount of Claim: \$30,000

Date claim arose: October 15, 2008

Source of claim: Bond issued by LBHI

8. Stock of the Debtors currently held by the firm:

Kind of shares: None

No. of shares: None

9. Stock of the Debtors currently held individually by any member, associate, or professional employee of the firm:

Name: Donald Schindler

Status: _____

Kind of shares: Common/LBHI

No. of shares: 160

10. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates with respect to the matters on which the above-named firm is to be employed.

None

11. Name of individual completing this form:

Thomas R. Califano